the formulation of a programme of generic promotion designed to serve the interests of the tea producers would facilitate the efforts to work out a Commodity Agreement on Tea.

Smuggling of Gold

143. SHRIMATI SUDHA VIJAY JOSHI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that gold smuggling has doubled during this year as compared to last year leading to rise in inflation;

(b) if so, what are the reasons for the increase in gold smuggling; and

(c) what steps are being taken to arrest the activities of smugglers from across the borders of the country?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) and (b) Since smuggling is a clandestine activtity, it is not feasible to estimate the quantum of gold that is being smuggled into the country. However, the quantum of gold seized during the last few calender years as shown in table below has shown an upward trend. This need not necessarily indicate a spurt in the smuggling of gold and could be due to the intensified drive against smuggling:—

Year	Golod seized (in Kgs.)
1986	2174
1987	2255
1988 . . . . (upto September)	3809 (provisional)

The main reasons for the continuance of smuggling of gold into the country are:—

(i) High domestic demand due to social customs;

(ii) Demand for hoarding purposes as a security;

(iii) Negligible indigenous production and supplies; and

(iv) Profitability due to wide differential between lower international prices and higher domestic prices.

(c) The anti-smuggling drive throughout the country has been intensified. The anti-smuggling machinery along the land borders and the coastline has been geared up. Sophisticated equipments like X-ray baggage machines, metal detectors and night vision binoculars are being increasingly utilised.

Export or non-basmati rice to East European Countries by Calcutta Firms

144. SHRI DIPEN GHOSH:
SHRI M.A. BABY:
SHRI SUNIL BASU RAY:
SHRI RAMNARAYAN GOSWAMI:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that certain Calcutta firms, among others, have been awarded permits for export of non-basmati rice to East European countries; and

(b) if so, what are the names of these firms and the criteria on the basis of which they were awarded such permits?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a)

and (b) Export of non-basmati rice during 1988-89 has been allowed within a ceiling. On the basis of registration of contracts with the Agricultural & Processed Food Product Export Development Authority (APEDA), backed by 100 per cent confirmed irrevocable Letter of Credit or against advance payment received in full, exports are allowed. APEDA has permitted shipments of 2,277 MTs of non-basmati rice upto 25th October, 1988 during the current financial year. There is no firm from Calcutta which has been permitted export. Further, none of the shipments permitted is to any European Country.

Decanalisation of Import Items

145. SHRI SUNIL BASU RAY: Will the Minister of COMMERCE be pleased to state:

(a) whether Government propose to further decanalise the import items;

(b) if so, what are the details thereof and the reasons therefor; and

(c) whether it will further privatise the foreign trade and if so, the consequences thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P R. DAS MUNSHI): (a) to (c) The Import Policy is kept under constant review and necessary amendment are made from time to time in public interest.

Slash in leading rate

146. SHRI SUNIL BASU RAY: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering a slash in the lending rate; if so, what are the reasons therefor;

(b) whether the beneficiaries will include the sick/closed industries and if not, what are the reasons therefor; and

(c) whether the domestic savings, stagnant for the last four years, will get a boost, if the lending rates are slashed?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Lending as also borrowing rates are reviewed by the Government from time to time, keeping in view various macro-economic trends. There is no proposal under consideration at present for a reduction in lending rate.

(b) and (c) Do not arise.

Abandoning of zero-based budgeting

147. SHRI SUNIL BASU RAY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Union Government had adopted a Zero-based budgeting method;

(b) if so, what are its advantages and characteristics and how it is functioning; and

(c) whether there is any proposal to abandon this scheme?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) Yes Sir.

(b) Under the Zero base budgeting scheme, as evolved by the Government, each Ministry is required to review its programmes and activities, both plan and non plan, and priorities them with a view to (i) giving up those activities which cease to be relevant or are not vtal to the functioning of the Ministry and (ii) identify low priority areas for reallocation of funds and providing adequate resources for high